



## Bloomfield Township's Proposed Millage Frequently Asked Questions

### Quick Facts

- On November 23, 2009, Bloomfield Board of Trustees voted unanimously to ask voters to approve an operational millage of 1.3 mils.
- In almost all cases, property tax payments will actually be reduced even if the millage passes.
- All the revenue restored by this millage, if it passes, will stay in the Township to maintain the current level of services
- The election will take place on Tuesday, February 23, 2010.

See [www.bloomfieldtwp.org](http://www.bloomfieldtwp.org) for detailed information.

### 1. Why did the Board decide the Township needed a new millage?

We need a new millage in order to provide the same level of Police, Fire/EMS and other public services that we have historically provided. It is also important for our residents to know that if the millage is passed, all revenues would stay in Bloomfield Township.

Revenues from property taxes and State revenue sharing are declining and are projected to continue to decline through 2014.

- 2010 – 2011 tax revenue will decline more than 10%.
- 2011 – 2012 tax revenue will decline an additional 6%.

Altogether, tax revenues will decrease by 20% (\$6 million) from 2007 to 2011.

In spite of significant cuts to the budget and changes in the way we do business (see # 5, # 6 and # 7), we cannot balance the budget without restoring some of the revenue we have lost and will continue to lose.

Even when the economy improves and homes regain some of their lost value, property taxes will be capped to the rate of inflation because of Proposal A. The Township will never be able to recover the revenue it has lost and return to the revenue levels of previous years.

### 2. Will my taxes go down even if the millage is passed?

Call the Assessor's Office at 248.433.7710 to determine the impact the millage would have on your home. Homeowners will see their homes' taxable value decrease next year, if that hasn't happened already. The great majority of homeowners will see a decrease in their property taxes, even if the millage is passed.

- The 2009 average homeowner in Bloomfield Township paid \$7492 in property taxes.\*
- In 2010, we expect the **taxes to be lowered** to \$6,724 for **a decrease of \$768.**

- **If the millage is approved**, we expect **taxes will still be lowered** to \$6,964 for a **decrease of \$528**.

For information about the effect of the millage on your home's property taxes, please call the Assessor's Office at 248.433.7710.

*\* Based on a home in the Bloomfield Hills School District with a market value of \$410,266.*

### **3. What would happen if the millage fails?**

If it fails, we would have to permanently eliminate 25 positions by April 1, 2010. Because we have always kept staffing levels low, there are no easy places to cut. Therefore, more than two thirds of the job cuts would be Police and Fire/EMS personnel.

Statistics show that crime is increasing in some neighboring communities. With a reduced police force, we would have to decrease patrols, investigate only certain crimes, and initiate fewer crime prevention measures.

With fewer firefighters/EMS technicians, response times would be longer. It is likely that at least one of the four fire stations would have to be closed, affecting response times throughout the entire Township.

The cuts must come from personnel because that is where the bulk of our expenses are. Approximately 80% of our budget goes to employee-related expenses. By the next fiscal year (April 1, 2011), the cumulative reduction of staff would have to total 45 or 50 people. This is about 20% of our workforce.

### **4. Why can't you make cuts in places other than Police and Fire/EMS?**

Police and Fire/EMS personnel make up nearly two-thirds of our staff. Therefore, the largest numbers would have to be cut from those departments.

All areas of service would be affected. Positions in every department would be eliminated.

Overall staffing levels in the Township have gone down since 1988. This reduction took place even though Bloomfield Township's population remained essentially the same and we broadened the services we provide.

We simply cannot lower our expenses enough by cutting only from other departments. To balance the budget, we must reduce the number of our Police and Fire/EMS personnel.

### **5. What have you done to reduce expenses?**

- Reduced staff by 18 positions through attrition since 2007;
- Opened contracts early with unions and bargaining units to negotiate pay freezes;
- Put all general employees under a 3-year pay freeze.
- Changed to a defined contribution pension plan instead of a defined benefit plan for all employees hired in 2005 and after;
- Changed from a traditional health care plan to a PPO, and changed again to a high-deductible health reimbursement plan that puts a greater obligation on employees.

These and other cost-cutting steps will continue to be implemented and reviewed. While they create significant savings, they are not enough to maintain current levels of public safety and other public services.

Only a restoration of revenue can keep Police, Fire/EMS and other public services at the level they are today.

## **6. Many businesses must cut expenses without raising their revenue. Why can't the Township do the same?**

We have already done that. Just like businesses in the private sector, we have cut spending by making the same tough decisions business have made, including:

- reduced staffing,
- renegotiated labor contracts,
- changed employees' benefits packages,
- formed purchasing consortiums,
- and more, as outlined on our website in our [strategic plan](#).

Private businesses are forced into making cuts because the demand for their products or services is falling. However, here at the Township, we have had a rising demand for our services at the same time our revenues have been falling.

The population of Bloomfield Township is aging, and so is its infrastructure. Over the past 20 years:

- Medical runs have risen 67%;
- Fire runs have risen 72%;
- Police incidents have risen 16%;
- Water and sewer system has needed many expensive repairs;
- Roads have also had many repairs.

We are at the point now where the only option left, if we want to adequately protect and preserve the community and its assets, is to restore revenue.

## **7. Have you considered consolidating services with other communities?**

Yes, and we already are doing that. We already work effectively with many other governmental entities in purchasing consortiums, public safety response teams, and environmental and engineering work (see details on [website](#)). In addition, we are in our 8<sup>th</sup> year of providing government and public access television programming for Birmingham, Beverly Hills, Bingham Farms and Franklin.

We are actively pursuing consolidation of the following services with the City of Bloomfield Hills:

- Dispatch
- Fire/EMS
- Mechanical, electrical and plumbing permits.

We are discussing the following with the City of Birmingham:

- Dispatch
- Police and Fire/EMS services,

We recognize that consolidating services makes a lot of sense and creates many efficiencies for all the communities involved. We will continue to develop these opportunities and maximize their benefits for long-term advantages.

It must be remembered, though, that none of these contracts can be put into place in time to create the savings we need for the 2010 – 2011 budget. We will consolidate services as quickly and in as many areas as we can, but those results will not have an effect on our immediate budget concerns or on maintaining current services.

#### **8. Why are you spending money on safety paths and new buildings?**

Voters approved millages to fund the safety path and capital improvement programs. Funds from those millages are restricted, by law, to the purposes for which the voters approved them. We are prohibited from taking funds from those millages and using them to balance the general budget.

#### **9. Why have my property taxes gone up even though the market value of my home has gone down?**

Most homeowners in Bloomfield Township have owned their homes since before 1994, when proposal A went into effect. Since 1994 the real estate has risen at a rate much higher than the rate of inflation. This resulted in most homes' taxable values being far less than their assessed values prior to the declining market.

The combination of the real estate market decline along with increases in the rate of inflation closed the assessed and taxable value gap. In many cases the taxable values and property taxes in 2009 have been reduced. In the near future, we expect all property taxes and corresponding taxable values will be reduced further.

For detailed information, see the February 2008 Special Edition of the Bloomfield Township Newsletter that focused on Assessing. It is online at <http://www.bloomfieldtwp.org/events/Newsletter.htm>.

#### **10. Why is the vote going to take place in February?**

Holding the vote in February gives voters the opportunity to decide if there will be a permanent reduction in Police, Fire/EMS and other public services.

The Township's next fiscal year begins April 1, 2010 and we must have a balanced budget by then. We need to know what our revenue will be before we can adopt a balanced budget, as required by law.

If we waited until August or November to hold this election, we would have no choice but to permanently eliminate 25 staff members in March 2010 before our next fiscal year begins.